

*FINANCES AND PUBLIC
WORKS OF INDIA*

FROM

1869 TO 1881

BY

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AND

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TO

THE PUBLIC SERVANTS OF ALL CLASSES

THE RESULTS OF WHOSE LABOURS

FOR THE PEOPLE OF INDIA

ARE HEREIN RECORDED

THIS VOLUME IS INSCRIBED

BY THEIR FELLOW-WORKERS

THE AUTHORS



PREFACE.

THIS book is the joint production of my brother and myself. For many years we have taken part, often in close association, in the Government of India, and it would be a false affectation of humility to profess that this part has not been an important one. There is hardly a great office of the State, from that of Lieutenant-Governor or Member of Council downwards, which one or other of us has not held, and there is hardly a great department of the administration for the management of which, at some time, one or other of us has not been responsible. If we have not gained wisdom, we have at least had rare opportunities for obtaining knowledge and experience.

We have written this book in the hope that whatever light we can throw on the origin and operation of the important financial measures adopted in British India during the last ten or twelve years, may be useful to those who follow us in its government.

When a man has been constantly, through a long series of years, writing and speaking on subjects like these, there must be much about which he can say nothing new. Strings of quotations from one's own speeches and minutes and reports do not look pleasant, and therefore the authors have not scrupled to repeat without acknowledgment, and with as little or as much change of expression as seemed desirable, anything which they have said in the past, and which they cannot say better now. As Mr. John Morley has observed, in somewhat similar circumstances, 'these borrowings from my former self the reader will perhaps be willing to excuse, on the old Greek principle, that a man may once say a thing as he would have it said, δις δὲ οὐκ ἐνδέχεται—he may not say it twice.'

It is not worth while to attempt to explain the shares in this book which belong respectively to my brother and to myself. The opinions we hold on the subjects discussed are so much in unison, and have been so constantly formed in close personal communication, that for our own part distinctions are superfluous. When the first person is used, it may mean either the one or the other of the authors.

We feel that this work, treating as it does only of matters directly connected with the finances and public works of India, is necessarily incomplete. The progress made in the last twenty years is not confined to the improvement of the financial administration, and to the

construction of the great public works by which the material interests of the country have been so largely promoted ; it is seen in every branch of the administration, and in the whole condition of the people, and these beneficial changes are so intimately bound up with one another, that a book which contains, so to speak, only a single chapter of a most remarkable history, can give no adequate representation even of those facts with which it immediately deals.

Besides the reforms more particularly described in this book, which have served to lighten the burdens pressing upon the people, to give them greater means of material progress, new markets for their produce, cheaper salt and cheaper clothing, the country has at the same time obtained better laws and better administration : a first step has been taken by the State in recognising its duties towards agriculture, the most important of Indian industries ; municipal institutions have been created, the foundations of a true national education have been laid, the health and comfort of our soldiers has been greatly promoted, and improvements made in a hundred other matters. A complete history of recent Indian progress remains to be written.

Such a history would contain the record of the work in which Englishmen in India have been the greatest. Viceroys, governors, and councillors have done much, but soldiers and civilians, whose names have hardly been heard in England, have done more

in silently building up the splendid fabric of our eastern empire. The every-day work of administration is that whereby the real foundations of our power are maintained and strengthened, and the well-being of the country is secured. It is, indeed, the part of an Indian official's life to which even those who, like ourselves, have been actively concerned in the central government, commonly look back with the greatest interest ; and they, whose lives have been spent in the daily discharge of these duties among the people, may fairly claim to be associated with the great results to which their hardly recognised labours have contributed. The authors of this book may be forgiven if they take some pride in adding that they themselves belong to the third generation of their family whose lives have been devoted to working for great objects in this magnificent country.

That I have been able to do something in preserving for future generations great works of art, like the Táj and the tomb of Akbar, I may reckon as a personal satisfaction, and not among the least of those to which I can look back in my career.

In writing the following pages it has been our desire to assume as far as possible an impersonal attitude, and to avoid expressions of praise or blame. But it would be inconsistent with what is due to the memories of Lord Lawrence and Lord Mayo, not to record in emphatic language our deep sense of what

India owes to these statesmen for their share in introducing the chief measures of which this volume is designed to supply the history—namely, the prosecution of irrigation works and railways with borrowed funds, the decentralisation of the financial administration, the establishment of true Provincial responsibility, and the equalisation of the Salt duties. Those only who know how heavy is the burden placed on the Viceroy of India will properly appreciate the great results produced in Lord Mayo's too short tenure of office. And with these names must be associated that of Lord Lytton, to whom India is greatly indebted for the further development of these measures, and for having taken the first steps towards introducing a policy of complete free trade.

One further acknowledgment has to be made. This work would not have been undertaken if Mr. Chapman, lately Secretary to the Government of India in the Department of Finance and Commerce, had not given me his active co-operation and help in the preparation of its materials. Without this some of the chapters could hardly have been written. The book is, I hope, a record of progress, and no one deserves honour for that progress more than Mr. Chapman. He has done so much, during the last ten years, to render the financial administration more enlightened, progressive, and efficient, that he may almost be said to have created it; and there is hardly one of the great

measures described in this book, with which I have been personally concerned, to the successful prosecution of which he has not largely contributed.

The authors have also received from Mr. George Batten much assistance in the revision of the book, and many valuable suggestions for its improvement.

JOHN STRACHEY.

VILLA SPINOLA, FLORENCE,

October, 1881.

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THE changes which India has undergone during the last thirty or forty years have been so great, that it is often very difficult to deduce useful inferences from the comparison of its present and past condition. This is especially true in regard to matters of finance.

Comparisons between the revenue, the expenditure, the debt, or the trade of India now and India as she was, though highly interesting in some points of view, have little financial significance, so numerous and profound have been the changes in the condition of the country, its available resources, and its requirements for necessary administrative and material progress.

The territorial extension of the Empire during the last forty years has been enormous. Five great provinces have been added to it, with an area almost equal

to that of France and the German Empire put together, and with a population of more than forty millions. This fact is alone sufficient to show how easily we may be misled by general comparisons ; but other changes still more important have occurred, and they have been hardly less remarkable in the older provinces than in the new.

Forty years ago there was in India, comparatively speaking, little of what we now think the first necessities of a civilised administration. When I went from Calcutta to my first station in the North-Western Provinces, I was carried about a thousand miles in a box—for a palanquin is nothing better—on men's shoulders, and it took some three weeks to toil through a journey which is now accomplished in two days ; there were no other means of travelling through the richest and most civilised parts of India. Speaking generally, roads and bridges had only begun to appear ; railways were not thought of ; the value of irrigation as a means of affording protection to the people from destruction by famine had hardly been recognised ; there were few barracks in which English soldiers could live with tolerable health and comfort ; there were few jails in which a sentence of imprisonment did not carry with it a serious probability that it would prove a sentence of death.

But the country at that time was entering on a phase of rapid change. The energies of the Government and its officers, which had at first been unable to do more than secure the bare existence of British power in India, by degrees rendered that power paramount. Then they were applied to its consolidation, and to the evolution of an organised system of administration out of the chaos bequeathed to us by the old rulers of the country. The

firm establishment of order was followed by improvements in all directions. A vigorous impulse was given to material progress, and among the most active causes of the great changes which were beginning must be ranked the introduction of new and rapid means of communication. These not only directly developed the resources of the country, increased the wealth of the people, and profoundly altered the conditions of life, but they stimulated the vitality of every branch of the administration ; they brought the various provinces of the Empire closer together, and England closer to India ; English influence became stronger and stronger, and all classes set before themselves new and higher standards, as they were more frequently and immediately brought into contact with European habits and civilisation.

Even before the mutinies of 1857 this process of change had made great progress. After that revolution, which for a time nearly swept away our Government through a large part of India, the change went on with enormously accelerated speed. Thousands of Englishmen, not only soldiers, but Englishmen of almost every class, poured into India. Ten thousand things were demanded which India had not got, but which it was felt must be provided. The country must be covered with railways and telegraphs, and roads and bridges. Irrigation canals must be made to preserve the people from starvation. Barracks must be built for a great European army, and every sort of sanitary arrangement which could benefit the troops must be carried out, for we did not choose to let our soldiers go on dying like sheep in the old fashion. In fact, the whole paraphernalia of a great civilised administration, according to the modern notions of what that means, had to be provided.

This was true not only in regard to matters of imperial concern. Demands for improvement, similar to those which fell upon the central Government, cropped up in every city and in every district of the country.

Compare, for instance, what Calcutta was twenty years ago, and what it is now. This city, the capital of British India, supplies an excellent type of what has been everywhere going on. The filth of the city used to rot away in the midst of the population in horrible pestilential ditches, or was thrown into the Hooghly, there to float backwards and forwards with every change of tide. To nine-tenths of the inhabitants clean water was unknown. They drank either the filthy water of the river, polluted with every conceivable abomination, or the still filthier contents of the shallow tanks. The river, which was the main source of supply to thousands of people, was not only the receptacle for ordinary filth ; it was the great graveyard of the city. I forget how many thousand corpses were thrown into it every year. I forget how many hundred corpses were thrown into it from the Government hospitals and jails, for these practices were by no means confined to the poor and ignorant ; they were followed or allowed, as a matter of course, by the officers of the Government and of the municipality. I remember the sights which were to be seen in Calcutta in those days, in the hospitals, and jails, and markets, and slaughterhouses, and public streets. The place was declared, in official reports by the Sanitary Commission in 1864, in language which was not, and could not be, stronger than the truth required, to be hardly fit for civilised men to live in. There are now few cities in Europe with which the better quarters of Calcutta need fear comparison,

and there is hardly a city in the world which has made more extraordinary progress.

I do not mean to say that Indian cities generally were so bad as Calcutta. This was far from being the case, but Calcutta affords, not the less, a good illustration of what has been and still is going on in India. Illustrations of the same sort might easily be multiplied. Fifteen years ago, for instance, in the great city of Rangoon, containing more than 100,000 people, with half a million tons of shipping, there was not a single public lamp, no supply of wholesome water, not a single drain except the surface drains at the sides of the streets, and no means of removing the night-soil and filth out of the town. About the same time, the Royal Commission for inquiring into the sanitary state of the army in India declared that thousands of the lives of our soldiers had been and were still being sacrificed in consequence of bad and insufficient barrack accommodation, and neglect of every sanitary precaution. So again, the Government was told, and in many parts of India it was certainly true, that, in consequence of the insufficiency of jail accommodation, the prisoners were dying at a rate frightful to think of, and that the necessary proceedings of the courts of justice involved consequences repugnant to humanity.

Thus arose demands for the requirements of civilised life and of modern administration, which had to be provided, and to a great extent for the first time, within the space of a few years. This was true not only of material appliances, of roads, and railways, and canals, and barracks, and city improvements, and so forth ; for the demand for improved administration became so strong, that it is not too much to say that the whole of the public services have been reorganised. Thus, for example, the

police, which was in a shameful condition throughout India, has been placed on a completely new footing. The changes in the judicial service, and in the laws which it administers, have been as great; Lord Lawrence, when he was Viceroy, declared that the inadequacy of the pay given to the native judges, and to the chief ministerial officers of the courts, was a public scandal; many of these officers receiving salaries less than the wages earned in most parts of India by the better class of bricklayers and carpenters. No honest or satisfactory administration of justice was, under such conditions, possible.

The demands for every sort of public improvement, moral and material, which thus sprung up, could not be resisted. Whatever might be the cost, remedies had to be provided in the most complete way, and in the shortest time possible. There were doubtless those who thought and said that as these demands involved the expenditure of millions, compliance with them was impracticable or would be ruinous. Happily the Government of India decided otherwise.

It might perhaps have been better, in regard to some of the reforms which have been carried out, if the work of improvement had been more gradual. But the fault has been on the right side. A greater or more admirable work was never conceived in any country than that which has been undertaken, and in a great degree accomplished, by Englishmen in India during the last twenty-five years, and which is still going on. That mistakes should have been made in dealing with a country as large and as populous as the whole of civilised Europe was inevitable, and no doubt money has sometimes been needlessly or wastefully expended. Nevertheless, the work has been excellently done, and with this further

merit, that there has been little talk about it. For all this the credit is not due to the initiative of the Government alone. India has indeed been fortunate in her Viceroys, but still more fortunate in the possession of a most admirable and hardworking body of public servants, to whose intelligence, devotion to their duties, and self-sacrifice, the results actually obtained are greatly due.

The magnitude of the work that has been accomplished is extraordinary. The England of Queen Anne was hardly more different from the England of to-day, than the India of Lord Ellenborough from the India of Lord Ripon. The country has been covered with roads, her almost impassable rivers have been bridged, 9,000 miles of railway and 20,000 miles of telegraph lines have been constructed, 8,000,000 acres of land have been irrigated, and we have spent on these works, in little more than twenty years, some 150,000,000*l*. Our soldiers' barracks are now beyond comparison the finest in the world; quarters which twenty years ago had a reputation little better than that of pest-houses are now among the healthiest in the British Empire, and the rate of mortality among the troops is not one-half what it was. The improvement in the jails and in the health of the prisoners has been hardly less remarkable. The cities and towns are totally different places from what they were.

Simultaneously with the progress of all these and a thousand other material improvements, with the increase of trade, the creation of new industries, and a vast development of wealth, there has gone on an equally remarkable change in every branch of the public administration. The laws have been codified, and improved, and simplified, until they have become the admiration of the world. The courts of justice and the